



GO Investment Partners: Statement on Responsible Investment

Introduction

GO Investment Partners (GO) is an independent partnership founded in 2004. We aim to add significant value for clients by acting as a catalyst for corporate change in quoted small and mid-cap equities in Japan. We believe that seeking high standards of corporate responsibility in the companies in which we invest will enhance investment returns. Companies with actively involved share owners should perform better over the long-term.

GO has an investment policy governing the way all assets are managed. The Investment Council, which report to the Board, implement, monitor and update the investment policy.

Our clients are institutional asset owners that believe in the effectiveness of our constructive engagement approach. Typically they have developed their own responsible investment policy, which we bear in mind when investing in and engaging with companies.

Having an investment team with a unique mix of investment management, advisory and corporate skills, we are able to identify companies which we see as undervalued by the market and where we believe we can make a contribution to resolving this.

The topics upon which we engage are material to shareholder value and can be broadly characterised as strategy, financial structure and ESG (environmental, social and corporate governance factors). When considering the latter, we are cognisant of our clients' responsible investment policies. In our discussions with companies we seek to base our recommendations on thorough analysis and a pragmatic understanding of corporate issues.

There is a close alignment of interests between our clients and our investment team and GO partners invest alongside clients in our fund.

How do we define responsible investment?

Responsible investment is the integration of environmental, social and corporate governance considerations into the investment management process and ownership practices (engagement) in the belief that these factors can have an impact on shareholder value.

How do we integrate ESG factors into our investment management process and engagement?

Our concentrated portfolio consists of a small number of investments which facilitates the active engagement investment strategy. A new investment requires an in-depth fundamental analysis of all aspects relevant to shareholder value creation. Consistent with our fiduciary duties though, we do not automatically avoid investments in companies or in industries with poor ESG records, unless directed to do so by our clients.

An investment proposal covers business strategy, financial analysis and valuation. ESG factors are explicitly addressed in each of these categories and they form an integral part of the engagement agenda. This integrated analysis ensures that we invest in companies with a sustainable business model and it highlights necessary change where sustainability may be a concern.



The weighting of ESG factors in the investment process varies by company and sector. Typical topics include remuneration policies, board composition, voting rights, minority shareholder protection, carbon footprint, energy efficiency, soil contamination, health & safety standards, employee rights and sourcing policies.

Engagement forms a key part of our investment strategy. We engage directly with the management and the board of investee companies. In addition, we may employ other engagement tools including voting at and attending shareholder meetings.

How do we measure and report our investment activities?

We exit investments when our price target has been achieved, even though this may mean that not every engagement objective has been met. The key indicator for the success of our investment strategy is net return relative to the applicable benchmark.

We consider the contribution from our responsible investing activities as an integral part of the fund's performance. Because we set specific engagement objectives at the start of any investment – ranked by their potential to create shareholder value – we can evaluate the success of our engagement strategy.

We report on our responsible investment activities to clients in writing on a quarterly basis. These customised client reports include detailed commentary on the investment performance, the engagement progress, attendance at shareholder meetings and any voting decisions.

PRI

GO Investment Partners was one of the first signatories to the UN Principles for Responsible Investment (PRI) convention in February 2006.

Voting Policy and Procedure

We regard voting as an important shareholder right and a key engagement component. Accordingly, we have developed a separate Voting Policy and Procedure. This document is also available from our website.

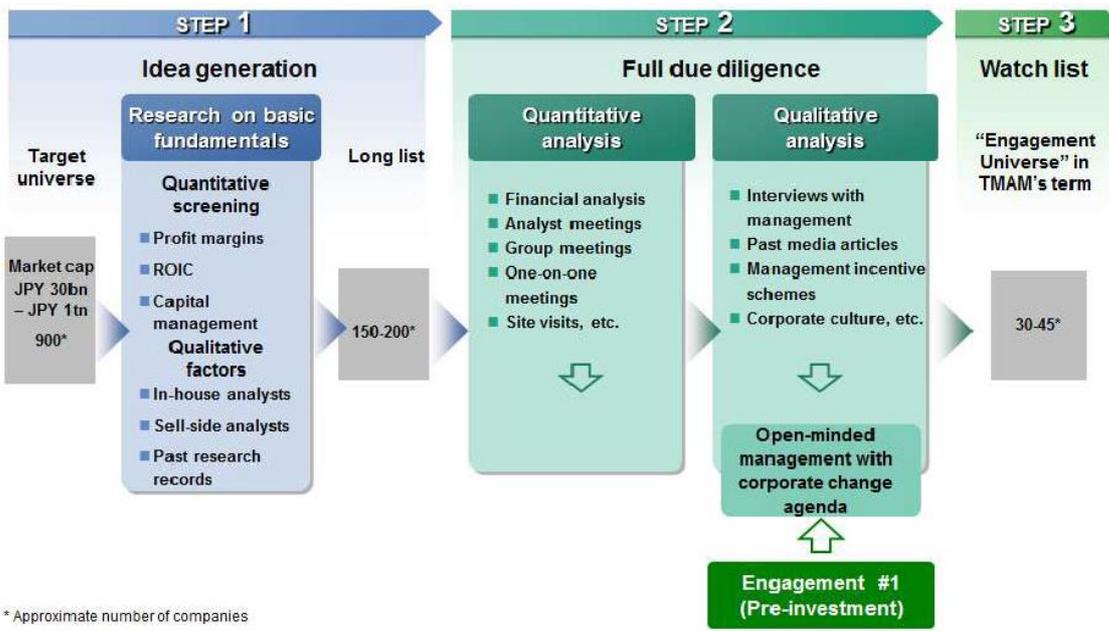
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APPENDIX

GO's integrated investment management process

Process: good businesses and management



Process: monitoring and engagement

